



City of Rockville

111 Maryland Avenue • Rockville, MD 20850 • 240-314-8208

## Home Improvement Application Housing and Rehabilitation Through Low Interest Loans

Through the City of Rockville's Home Improvement Program, Rockville residents may apply for low interest or deferred loans to make necessary improvements to their homes. Eligibility is based upon annual household income, as disclosed on applicant's current tax return. Typical repairs include: Roof and window replacement; plumbing and electrical upgrades; furnace replacement; and kitchen and bathroom remodeling.

Funds for this program are provided by the Community Development Block Grant (CDBG) program through the City's Department of Community Planning and Development Services.

Income eligibility is shown on the table below, followed by some frequently asked questions and answers about the program.

FAMILY SIZE	MAXIMUM INCOME FOR DEFERRED LOANS	MAXIMUM INCOME FOR LOW INTEREST LOANS
1	\$ 30,450	\$39,550
2	\$ 34,800	\$45,200
3	\$ 39,150	\$50,850
4	\$ 43,500	\$56,500
5	\$ 47,000	\$61,000
6	\$ 50,450	\$65,550
7	\$ 53,950	\$70,050
8	\$ 57,400	\$74,600

### What is meant by "Deferred Loan"?

If your annual household income is very low, you may be eligible for home improvement work to be done on your home at no cost to you unless your home is sold, refinanced, rented or transferred within (5) years after the completion of the work. If you sell, refinance, rent or transfer the property within five years, you will be required to pay back a percentage of the contract price paid for you by the City. The maximum deferred price is \$25,000 .

### What does "Effective" interest rate mean?

Rather than loan money to property owners at reduced interest rates, the City pays a percentage contribution toward the contract price up to \$25,000 for the home improvement work. You then secure a loan from a lender for the balance of the contract amount. In effect, you borrow less principal at a higher interest rate, with the same pay-back as the entire contract price borrowed at a reduced rate. As with deferred loans, if you sell, refinance, rent or transfer the property within five (5) years from the completion of the work, you will be required to pay back a percentage of the City's contribution to the contract price.

## Are additions eligible and can a homeowner do their own work?

Additions are not permitted except in cases of extreme overcrowding as defined by the Property Maintenance Code. However, general property improvements can be made as long as all code deficiencies are also corrected. Homeowners are not permitted to do their own work under this Program. The City maintains a list of qualified contractors who are asked to submit bids on the repairs to be made. The homeowner then selects a contractor from those who submit bids for the work to be done on their property.

## Who determines what repairs need to be made?

The City's Rehabilitation Staff will provide technical assistance in home inspection and counseling, cost estimating and work specifications, and securing bids from qualified contractors. All code deficiencies which exist must be corrected before any property improvements can be made or energy conservation items included. Additionally, if the applicant's dwelling was built before 1978, all surfaces, both interior and exterior, must be tested for lead based paint. If lead based paint is found to be in a deteriorated condition, it must be addressed before any other work is undertaken.

## How can I get more information or apply for the Program?

Simply fill out the form below and return it to:

City of Rockville  
Community Planning & Development  
Attn: Tom Howley  
111 Maryland Avenue  
Rockville, MD 20850

Please fill out the information below. Your name will be added to the waiting list for the program. For additional information please contact Tom Howley, Rehabilitation Specialist, on 240-314-8208.

### Home Improvement Application

Date: \_\_\_\_\_ Family Size: \_\_\_\_\_

Check one:    Deferred loan \_\_\_\_\_    Low interest loan \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Home phone: \_\_\_\_\_ Work phone: \_\_\_\_\_

Comments/Needs: \_\_\_\_\_

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